

LOUISIANA DELTA COMMUNITY COLLEGE  
LOUISIANA COMMUNITY AND  
TECHNICAL COLLEGE SYSTEM  
STATE OF LOUISIANA



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AGREED-UPON PROCEDURES REPORT  
ISSUED MAY 23, 2007

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May 3, 2007

Independent Accountant's Report on the  
Application of Agreed-Upon Procedures

**LUKE P. ROBINS, PH.D.**  
**CHANCELLOR**  
**LOUISIANA DELTA COMMUNITY COLLEGE**  
**LOUISIANA COMMUNITY AND**  
**TECHNICAL COLLEGE SYSTEM**  
**STATE OF LOUISIANA**  
Monroe, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Board of Regents (BOR) and the management of Louisiana Delta Community College (college), solely to assist BOR and the college in evaluating whether the college is complying with the reporting requirements of the Louisiana Board of Regents, Endowed Chair and Endowed Professorship Programs, Statement of Investment Policy and Objectives (Statement), Section 2(H) regarding the college's Endowed Chair and Endowed Professorship Program Assets, endowment proceeds, investment earnings, and annual reports for the year ended June 30, 2006. College management is responsible for ensuring that program assets are managed in accordance with Statement requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the BOR and the management of the Louisiana Delta Community College. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

1. We verified that the long-term objective of the Program Assets had been obtained by achieving an average annual real total return of at least 5% of the assets over time in accordance with Section A of the Statement.

We found that the long-term objective of achieving an average annual real total return of at least 5% had not been obtained. For the year ended June 30, 2006, the average annual real total return was 0.247%.

2. We verified that the long-term average spending is no greater than the long-term real total return of the fund in accordance with Section B of the Statement.

We found no exception as a result of this procedure.

3. We verified that the portfolio composition and asset allocation is in accordance with Section C of the Statement.

We found no exceptions as a result of this procedure.

4. We verified that the investment performance of the Program Assets met the benchmarks contained in Section E of the Statement.

We found no exceptions as a result of this procedure.

5. We verified that the annual financial reports were prepared in accordance with the Statement using the correct information.

We noted the following errors in the annual financial reports:

- The headings on the reports indicated the endowments were established in 2005 when they were actually established in 2004.
- The college reported \$103,756 as the market value in the 2005-2006 column of Section II when the correct market value was \$105,904. Using the incorrect amount affected the 2005-2006 Investment Policy Calculations total.
- Spaces on the report in Section II and Section V had totals when they should have been blank.
- The maximum spending allowed for 2006-2007 in Section II was incorrectly computed and entered. The \$5,904 amount that was reported was the year-end market value in excess of the Inflation Adjusted Baseline. The correct amount that should have been reported was \$5,201.
- The college should have reported the respective year-end market values in Section IV under the Fixed Income Amount instead of \$100,000 or \$102,148 which were incorrect.

6. We agreed the year-end amounts on the annual financial reports to the college's general ledger and supporting schedules.

We found no exceptions as a result of this procedure.

7. We footed and cross-footed the supporting schedules used to prepare the annual financial reports for accuracy.

We found no exceptions as a result of this procedure.

8. We tested the college's computations for its three endowments to verify that sufficient funds were accumulated for use as salaries or salary supplements or for other expenses related to scholarly work for eligible faculty members.

An error in the college's computations resulted in an overstatement of \$703 in the amount of funds available for use as salaries or salary supplements or other expenses related to scholarly work.

9. We were to select one expenditure transaction, using auditor judgment, from each of the three endowments and verify that the transaction was properly approved and spent in accordance with Statement.

We found that no funds were expended during the year.

10. If program assets were pooled, we were to test the allocation of investment earnings of the three endowments to determine that the investment earnings generated from the pooled assets involving the endowments were properly allocated in accordance with the Statement and trace the amounts allocated to the general ledger or supporting schedules.

We found that the program assets were not pooled during the year.

11. We were to verify that the required Annual Reporting forms were submitted no later than October 1, 2006. In addition, we were to verify that the required audit report was submitted to the Legislative Auditor's office and to the Finance and Administration Division of the BOR by October 31, 2006. Furthermore, if there were any audit findings, we were to determine if there was a corrective action plan included in the report to address each finding.

We found that the college submitted the required Annual Reporting forms on September 26, 2006. However, the required audit report was not submitted to the Legislative Auditor or to the Finance and Administration Division of the BOR by October 31, 2006. The college was granted an extension for submission of the audit report until May 31, 2007, by Ms. Wendy Simoneaux, Associate Commissioner for Finance and Administration of the BOR. Management included a corrective action plan to address each finding in the report.

12. We verified that internal management fees charged, if any, did not exceed 125 basis points in total for all Program Assets as required by Section D(2) of the Statement.

We found that no internal management fees were charged during the year.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the college's annual financial reports or on its compliance with the BOR, Endowed Chair and Endowed Professorship Programs, Statement of Investment Policy and Objectives. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the BOR and the management of the college and is not intended to be, and should not be, used by anyone other than these specified parties. By provisions of state law, this is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

WMS:WJR:THC:ss

[LDCCBOR06]